App. F. IX-4

Previous References.

1950-51
(CB)

File No. 243-50

Serial Nos. 1

Later References.

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One —

Part B for June, 1950

SUBJECT

Reference to an informal meeting of Ministers held in the chambers of the Minister for Finance & Industries on 10-7-50

7/10

Submitted to His Highness.

I submit herewith for the gracious perusal of His Highness copy of the resume of an informal meeting of Presemen held in my chambers at the Old on 10-7-1950.

K. C. Desappa

MINISTER FOR FINANCE & INDUSTRIES
in charge of the current duties
of the Chief Minister.

Bangalore,
July 14th, 1950.

Bangalore,
11th July 1950.

The Hon'ble Sri H.C. Dasappa, Minister for Finance and Industries, met Pressmen in his Chambers yesterday evening at an informal Conference and briefly narrated an account of his recent visit to Delhi on the 6th. He made the following observations:-

"The main purpose of my visit to Delhi was to follow up certain matters that were pending with the Government of India. I was also desirous of meeting the new Ministers at the Centre. Hon. Ministers, the Hon. Sir Chintamani Desamukh, the Minister for Finance and the Hon. Sri Hare Krishna Mehatab, Minister for Industries and Supplies, were most intimately connected with my subjects. I was also anxious to meet the Hon. Sri Prakash, Minister for Commerce. I would have liked to see the Hon. Sri Munshi also there. But I knew that he would not be at Delhi then.

When I landed in Delhi, they told me that the Hon. the Prime Minister had fixed 4 o'clock for my interview the same day. It was very good of him to have given me this early opportunity of seeing him. I was very happy to find that he was looking fresher than ever before. I thought that the Indonesian tour - the sea voyage in particular had done him good. He made kind enquiries of Mysore. The first subject we discussed was the Food Technological Institute in Mysore, in which he is so deeply interested. Certain developments were contemplated in the Food Technological Institute and the Hon. the Prime Minister had written a nice letter to the Chief Minister just before Dr. S.S. Bhatnagar came over to Mysore recently. The Home Minister had gone round the grounds with Dr. Bhatnagar and it was understood that out of about 150 acres of ground in the Cheluvamba Mansion, about 100 acres could well be reserved for this developmental programme of the Institute. I showed the Prime Minister the plan and he was pleased to remark that it was good to have spared so much space.

The other matter to which he referred to was the cultivation of tapioca. He said that 25 per cent of tapioca mixed with rice would not only give the same nutritive value as the same equivalent quantity of rice would give, but the mixture would not suffer in the least in taste. He was anxious Mysore

should go ahead with that experiment. I said that we were already developing the cultivation of tapioca in the State and we would give the experiment a chance. I believe the inaugural ceremony of the Food Technological Institut is fixed sometime in October next (it may be 20th), and it is just possible that the Hon. the Prime Minister may be paying a visit to Mysore on that occasion.

The same evening at 5.30, I had an interview with the Hon. the President of the Republic at Government House. He made kind enquiries about the constru tive activities of the State and discussed the food position also. When I asked about his visit to the South sometime, he said that it might be possible for him to pay a visit during the coming winter.

On the 7th morning, I called on Dr. Pattabhi Seetharamiah, the President of the Congress. At 12 noon I had my interview with the Hon. the Finance Minister. We had a talk on various matters including finance and the financin of developmental schemes. In the afternoon, I had a meeting with the Hon. Minister for Industries and Supplies, Sri Hare Krishna Mehtab. Later in the afternoon, I had a long Conference with Sri V.P. Menon, Secretary of the States Ministry at which Sri Bapat and Sri Gopalaswamy of the Home Ministry, Sri Buch, Joint Secretary of the States Ministry and the Deputy Secretaries of Finance were also present. The discussion centred round certain administrative questions, particularly, the Indian Administrative Services and questions arising from financial integration. That night, I dined with the Hon. Sri Hare Krishna Mehtab.

Next morning on the 8th of July, I met the Secretary of the Home Ministr and later Sri Shivashanker, the Director-General of Disposals and the Director General of Industries and Supplies. Later, I had a Conference with Sri K.R.P. Iyengar, Member, Central Board of Revenue and Excise, when I had a discussion on excise duties, particularly that relating to tobacco. The formula regarding the distribution of tobacco excise which was levied during the War was that it should be distributed on per capita basis. If we realised money by way of excise in the State up to the per capita basis, we were entitled to retain it. If we realised more than that limit, we had to refund the excess to the Centre. But, if we realised less than the per capita quota, we could get

only what we realised and no more. I considered that this formula which was got up during the War was not quite fair to the State. It was suggested by them that it is very difficult to change the formula at this rather late stage, because that would re-open the cases already settled in the case of a number of other States. Even on the basis of the existing formula, handicapped as we were, I said that the excise duty on tobacco realised in the Civil Station must be deemed to be realised within the State, because the tract was only an assigned tract, always forming part and parcel of the State and even the surplus revenue of the Civil Station was being made over to the Mysore Government which was a sufficient proof that the Civil Station formed a part of the State. The matter was, however, not finalised as it needed further scrutiny. I expect the Mysore Officers to take up the matter in due course. There was no dispute so far as the revenue for 1948-49 was concerned. But with regard to the revenue for 1946-47, one of the two years taken for calculation of net gap, the implication is much and we would be earning for these five years the advantage of the increase.

In the afternoon, I met the Planning Commission at a Conference between 3.30 and 5.30, when the Vice-Chairman and the other Members, namely, Sir Chintamani Desamukh, Sri G.L. Mehta, Sri V.T. Krishnamachari and Mr. R.K. Patil were present. I gave a brief narrative of the position in Mysore and how a succession of able administrators had built up the industries in the State. I described to them the romance of electricity in Mysore and how we are able to conserve our resources for carrying on developmental schemes by paying low salaries to our services. Mysore throughout had planning in the matter of development of industries, making use of the raw materials available in the State and a band of technical personnel, for carrying out those schemes. The fact that we had planning before us is illustrated by the scheme we had in harnessing the Jog water power and utilisation of that power for the development of the iron and steel industry and the development of new industries like fertilizers, etc.

I divided the subject of development schemes into four or five heads. The first was the metallurgical industry comprising of electric pig iron project and the allied schemes of ferro-silicon as also Bessemer electric converters and billet and structural mill. It was not possible for us to

continue any longer with the un-economic charcoal pig iron blast furnace and any increase in charcoal pig iron would result also in the denundation of the forest wealth of the area. It was therefore absolutely necessary that we should have recourse to the electric pig iron furnaces. The electric pig iron furnaces, each of 100 ton capacity, would mean an increase in output from the present 25 thousand tons to 100 thousand tons per year. I also referred to the development of the cement plant with a capacity from 60 to about 300 per day. This means an increase in output from 25,000 tons to 100,000 tons annually. They also asked me what we proposed to do with the old ferro-alloy plant after the installation of the new ferro-silicon plant. I said that we had already a scheme ready and that was to manufacture Calcium Carbide and other ferro alloys like ferro-manganese and ferro-chrome. It is important to note that the electric pig iron that we produce would be superior to the usual coke pig iron and experts have suggested that it would be very useful and profitable to the nation if this pig iron is converted into special alloy steels. I said that we had that scheme also and if the Government of India would consider the development on those lines, I should welcome it.

The next set of industries that I dealt with were the chemical industries. I referred to the Acetic acid plant and to the fact that the product manufactured would be very useful in times of war. Among chemical industries, the most important was the fertilizer project. The Mysore Government had entered into an agreement with a well-known firm of New York, The Chemical Construction Company, which had given the Belagula Plant of Mysore, which was working, though small, very successfully. This firm in conjunction with the Power Gas Corporation of England was now supplying the sindri plant. The project was meant to manufacture 25;000 tons of Ammonium Sulphate and 25,000 tons of Nitro-chalk. I was glad to learn in expert quarters that Nitro-chalk was a very useful fertilizer which needed popularisation. I should like to point out the special advantages which our fertilizer project has, in brief. First and foremost what is needed for a chemical industry, is cheap power. We have not only cheap power, we have that ready at hand at Bhadravati only waiting to be tapped. There is the advantage of a railway siding on the spot. There is also plenty of water supply ready on the spot. The other

advantage is that for the purpose of conveying limestone from the mine-head, there is already a tram line. These are matters which would save so much in the capital outlay of the concern and so deserve notice. Then I spoke about the Sugar Factory in Shimoga which again is going to be a paying proposition, because we would be utilising the spare plant in Mandya and also the technical knowledge of the Sugar Factory at Mandya. The third chemical industry was raw film. India is the second largest consumer of raw films in the world. We had peculiar advantages to develop this industry, because it was necessary to have a dust-free atmosphere and a climate suited for the purpose. The location of this industry is the area below the Krishnaraj Sagar Dam. A group of financeers of Rajasthan and Bombay were interested in the project.

The third, and by no means less important, were the electrical industries, namely, the manufacture of transformers and insulators and lamps. As regards insulators, we had the advantage of the electric kiln, only one of its kind in this part of the East. The Westinghouse Company whom we had engaged, have given a scheme for the manufacture of high tension insulators and bushings. The whole project would cost nearly Rs.10 crores. The scheme for high tension insulators would cost a crore and twenty lakhs. The amount needed would be spread over a series of years. For the first five years it was enough if Rs.7 crores were found. The financing of this important project was an important matter. There were some others also who were offering their services in this field. It is, however, fairly well understood that these schemes cannot be postponed with advantage any longer. Mysore had peculiar advantages for this development which was quite a natural one and the project has been conceived so that it should not come in conflict with any other proposal which the Government of India had in view. The existence of Hemco is an important factor in locating these industries in Bangalore.

The fourth scheme that I dealt with was the development of hydro-electricity in the State. I referred to the first stage of completion in Jog. The second stage was going to be completed shortly. I suggested that in course of time it would be absolutely insufficient to meet the growing needs of the State unless we thought of new projects. So, it would be necessary to take up

the Honnemaradu Project, costing Rs.18 crores and the Mekedatu project, costing another Rs.5 crores. These were also necessary for the purpose of distributing power already available especially for the purpose of setting up irrigation pumps.

The last I dealt with were the major irrigation works - the Thunga, the Nugu and the Lakkavalli projects. As regards the Lakkavalli project, I told them of our decision not to take up the entire scheme which would cost about Rs.20 crores. The Dam to be constructed would be about 180 feet, but for the present we would stop at 35 feet. The project would cost Rs.110 lakhs extra in addition to what we have spent already, namely, Rs.39 lakhs. For the Thunga project, we have spent Rs.30.70 lakhs. The amount still needed would be Rs.64 lakhs. The Nugu project which costs Rs.52 crores requires for the present a sum of Rs.51 lakhs in addition to Rs.15.8 lakhs already spent.

I next referred to the rising price of the tannery wool and said that its movement must be controlled. At present the tannery wool is adulterated with cut wool for the purpose of export. The price has risen from Rs.200 for 500 lbs. to Rs.700."

On Sunday, the 9th evening, the Hon. the Prime Minister was pleased to have an informal meeting of the Congress members of the Parliament to concert on international situation arising from the Korean question. There was a large consensus of opinion in favour of the stand taken by the Prime Minister.

One of the things that was in the air was who should be the next President of the Congress. It was not exactly known as to who it would be. But every body was very much concerned about it.

In company with Sri R.R. Diwaker, Minister of State, I visited Rajghat and we planted a tree each at the place.

I visited the Ramakrishna Ashram where I met Swami Ranganathananda who was in Mysore some years back and then caught the night plane.

1964/CB

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Resume of an informal meeting of Pressmen held in the chambers of the Minister for Finance & Industries, on 10-7-1950.

Order.

RN.
15/7/'50.

165.

Ch. Secy
H.C.D
17.7.50.

C.A.)

165
17.7.50
17.7.50

1964
C.B.

Subject matter

No further action seems to be necessary on this.

If approved this file will be closed.

31/7/50. May be circulated to all the Ministers

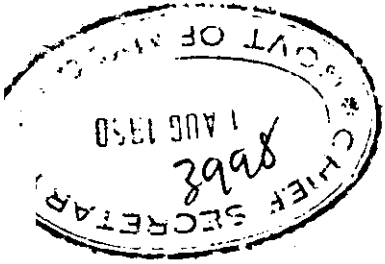
Chief Secy 31/7/50

31.7.50.

1/8/50

1/8/50

1/8/50



STRICTLY CONFIDENTIAL.

COUNCIL CASES.

GENERAL AND REVENUE SECRETARIAT.

Notes on Council Files bearing Nos. .....

.....

which are for consideration at a meeting of Council, are *circulated.

Chief Secretary to Government.

Minister for Home.

Vide O. M No 988-95—C. B. 28-46-5, dated the 2nd Se

Confidential.

No. 160/50-51

1964
CB

General and Revenue
Secretariat.

WD 010517—GPB—1,000—27-5-50

SUBJECT.—

Resume of an informal meeting of Pressmen held in the chambers of the Minister for Finance and Industries on 10-7-1950.

Circulated to Council of Ministers.

14.8.50.
Chief Secretary to Government.

Office of the Chief Minister
No 3383
Date 14-8-50

GENERAL & REVENUE SECRETARIAT
Council Section
25 AUG 1950
I. BRANCH

1. Chief Minister. 15/8/50

2. Minister for Finance and Industries. (Seen).

3490 3. Minister for Law and Labour. 16/8

2844 21/8/50 4. Minister for Education and Public Health. 21/8

6216 22/8/50 5. Minister for Revenue and Excise 21/8

7432 24/8/50 6. Home Minister.

2361 24/8/50 7. Minister for Local Self-Government. 22/8/50

24/8/50

888

89.

C.O.F. 74

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

WD 06823—GPB—25,000—30-7-49

Office of the
Principal Information Officer,
Government of Mysore, Bangalore.
No. 870/D.1.

OFFICE OF THE MINISTER
FOR FINANCE & INDUSTRIES.
No. 2404
Date 11.7.50

H.H. NO. 164
14.7.50.

OFFICE OF THE MINISTER
FOR FINANCE & INDUSTRIES.
No. 2485
Date 14.7.50

Submitted
File submitted to H.H. on
14.7.50.

15/7

Subd.

Proceedings of an informal meeting of Pressmen held in the Chambers of the Hon. the Minister for Finance and Industries at 4-30 P.M. on the 10th of July 1950, is put up for kind perusal.

11/7/50

Dft subd. for kind perusal.
Minister for Fin. & Ind.) SS 11/7

Corrected
may be retyped neatly
for submission
to H.H. SS 13/7

Retyped copy subd.
Minister for Fin. & Ind.) SS 14/7

N. B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Bangalore,
July 11, 1950

The Hon'ble Sri H.C. Dasappa, Minister for Finance and Industries, met Pressmen in his Chambers yesterday evening at an informal Conference and briefly narrated an account of his recent visit to Delhi on the 6th. He made the following observations:-

"The main purpose of my visit to Delhi was to follow up certain matters that were pending with the Government of India. I think that though it may not be possible for us to get into personal touch, it would be very helpful and very desirable to go there and see where the matter stood and, if possible, to see to the expeditious disposal of those matters. I was also desirous of meeting the new Ministers at the Centre. Hon. Ministers, the Hon. Sir Chintamani Desamukh, the Minister for Finance and the Hon. Sri Hare Krishna Mehatab, Minister for Industries and Supplies, were most intimately connected with my subjects. I was also anxious to meet the Hon. Sri Prakash, Minister for Commerce. I would have liked to see the Hon. Sri Munshi also there. But I knew that he would not be at Delhi then.

When I landed in Delhi, they told me that the Hon. the Prime Minister had fixed 4 o'clock for my interview, the same day. It was very good of him to have given me his early opportunity of seeing him. I was very happy to find that he was looking fresher than ever before. I thought that the Indonesian tour - the sea voyage in particular had done him good. He made kind enquiries of Mysore. The first subject we discussed was the Food Technological Institute in Mysore, in which he is so deeply interested. Certain developments were contemplated in the Food Technological Institute and the Hon. the Prime Minister had written a nice letter to the Chief Minister just before Dr. S.S. Bhatnagar came over to Mysore recently. The Home Minister had gone round with Dr. Bhatnagar the grounds, and it was understood that out of about 150 acres of

ground in the Cheluvamba Mansion, about 100 acres could well be reserved for this developmental programme of the Institute. I showed the Prime Minister the plan and he was pleased to remark that it was good to have spared so much space.

"The other matter to which he referred to was the cultivation of tapioca. He said that 25 per cent of tapioca mixed with rice would not only give the same nutritive value as the same equivalent quantity of rice would give, but the mixture would not suffer in the least in taste. He was anxious that Mysore should go ahead with that experiment. I said that we were already developing the cultivation of tapioca in the State and we would give the experiment a chance. I believe, the inaugural ceremony of the Food Technological Institute is fixed sometime in October next (it may be 20th), and it is just possible that the Hon. the Prime Minister may be paying a visit to Mysore on that occasion.

"The same evening at 5-30, I had an interview with the Hon. the President of the Republic at Government House. He made kind enquiries about the constructive activities of the State and discussed the food position also. When I asked about his visit to the South sometime , he said that it might be possible for him to pay a visit during the coming winter.

"On the morning 7th, I called on Sri Pattabhi Seetharamiah, the President of the Congress, and at 12 noon I had my interview with the Hon. the Finance Minister. We had a talk on various matters including finance and the financing of developmental schemes. In the afternoon, I had a meeting with the Hon. Minister for Industries and Supplies, Sri Hare Krishna Mehtab, ~~whom I met for the first time after he resumed office. I am glad to say he gave me a very sympathetic hearing~~. Later in the afternoon, I had a long Conference with Sri V.P. Menon, Secretary of the States Ministry at which Sri Bapat, Joint Secretary of the States Ministry and Sri Gopalaswamy of the Home Ministry, Sri Bach, the Deputy Secretaries of Finance were also present. The discussion centred round certain administrative questions, particularly, the Indian Administrative Services and questions arising from financial integration. That night, I dined with the Hon. Sri Hare Krishna Mehtab.

"Next morning on the 8th of July, I met the Secretary of the

Sir Shivaswamy

Home Ministry and later, the Director-General of Disposals and the Director-General of Industries and Supplies. ~~In the Hotel~~ Later, I had a Conference with Sri K.R.P. Iengar, Member, Central Board of Revenue and Excise, when I had a discussion on excise duties, particularly that relating to tobacco. The formula regarding the distribution of tobacco excise which was levied during the War was that it should be distributed on per capita basis. If we realised money by way of excise in the State up to the per capita basis, we were entitled to retain it. If we realised more than that limit, we had to refund ~~it~~ the excess to the Centre. But, if we realised less than the per capita ~~basis~~ quota, we could get only ~~that~~ what we realised and not more. I considered that this formula which was got up during the War was not quite fair to the State. It was suggested by them that it is very difficult to change the formula at this rather late stage, because that would re-open the cases already settled in the case of a number of other States. Even on the basis of the existing formula, handicapped as we were, I said that the excise duty on tobacco realised in the Civil Station must be deemed to be realised within the State, because the tract was only an assigned tract, always forming part and parcel of the State and even the surplus revenue of the Civil Station was being made over to the Mysore Government which was a sufficient proof that the Civil Station formed a part of the State. The matter was, however, not finalised as it needed further scrutiny. I expect the Mysore Officers to take up the matter in due course. There was no dispute so far as the revenue for 1948-49 was concerned. But with regard to the revenue for 1946-47, the implication is much and we would be earning for these five years ~~an amount to the extent of ten to twelve lakhs of rupees~~ one of the two years taken for calculation of net surplus the advantage of the increase.

"In the afternoon, I met the Planning Commissioner at a Conference between 3-30 and 5-30, when the Vice-Chairman and the other Members, namely Sir Chintamani Desamukh, Sri G.L. Mehta, Sri V.T. Krishnamachari, Mr. R.K. Patil ~~and others~~ were present. I gave a brief narrative of the position in Mysore and how a succession of able administrators had built up the industries in the State. I described to them the romance of electricity in Mysore and how we are able to conserve our resources for carrying on developmental schemes by paying low salaries to our servants. Mysore throughout had planning in the matter of development of industries, making use of the raw

materials available in the State and a band of technical personnel, for carrying out those schemes. The fact that we had planning before us is illustrated by the scheme we had in harnessing the Jog water power and utilisation of that power for the development of the iron and steel industry and the development of new industries like fertilizers, etc.

"I divided the subject of development schemes into four or five heads. The first was the metallurgical industry comprising of electric pig-iron projects and the allied schemes of ferro-silicon as also ~~Bessemer pig-iron~~ Bessemer electric converters and billet and structural mill. It was not possible for us to continue any longer with the un-economic charcoal pig iron blast furnace and any increase in charcoal production would result also the denudation of the forest wealth of the area. It was therefore absolutely necessary that we should have recourse to the electric pig iron furnaces. The electric pig iron furnaces each of 6000 K.V.A. capacity would mean an increase in output from 25 thousand tons to 100 thousand tons per year. I also referred to the development of the cement plant with a capacity of 300 per day from 60 to about 300 per day, ~~during the course of a couple of months.~~ This means an increase in output from 25,000 tons to 100,000 tons annually. They also asked me what we proposed to do with the old ferro-alloy plant after the installation of the new ferro-silicon plant. I said that we had already a scheme ready and that was to manufacture Calcium Carbide and other ferro alloys like ferro-manganese and ferro-chrome. It is important to note that the electric pig iron that we produce would be superior to the usual coke pig iron and experts have suggested that it would be very useful and profitable to the nation if this pig iron is converted into special alloy steels. I said that we had that scheme also and if the Government of India would consider the development on those lines, I should welcome it.

"The next set of industries that I dealt with were the chemical industries. I referred to the Acetic acid plant and to the fact that the product manufactured would be very useful in times of war. Among chemical industries, the most important was the fertilizer project. The Mysore Government had entered into an agreement with a well-known firm of New York, The Chemical Construction Company, which had given the Belagula Plant of Mysore, which was working, though small, very successfully. This firm in conjunction with the Power Gas Corporation

of England was now supplying ~~this~~ Sindri plant, ~~and~~ the project was meant to manufacture 25,000 tons of Ammonium Sulphate and 25,000 tons of nitro-chalk. I was glad to learn in expert quarters that Nitro-chalk was a very useful fertilizer which ~~xxxxxxx~~ needed popularisation. I should like to point out the special advantages which our fertilizer project has, in brief. First and foremost, for ~~the~~ chemical industry, is cheap power. We have not only cheap power, we have that ready at hand at Bhadravati only waiting to be tapped. There is the advantage of a railway siding on the spot. There is also plenty of water supply ready on the spot. The other advantage is that for the purpose of ~~loading~~ conveying limestone from the mine-head, there is already a tram line. These are matters which would save so much in the capital outlay of the concern, ~~which~~ and so deserve notice. Then I spoke about the sugar factory in Shimoga which again is going to be a paying proposition, because we would be utilising the spare plant in Mandya and also the technical knowledge of the Sugar Factory at Mandya. The third chemical industry ~~is~~ was raw film. India is the second largest consumer of raw films in the world, ~~as you know~~. We had peculiar advantages to develop this industry, because it was necessary to have a dust-free atmosphere and a climate suited for the purpose. The location ~~for~~ of this industry ~~has been thought of~~ is the area below the Krishnaraj Sagar Dam. A group of financeers of Rajasthan and Bombay were interested in the project.

"The third, and by no means less important, were the electrical industries, namely, the manufacture of transformers and insulators & lamps. ~~for which~~ because Insulators we had the advantage of. the electric kiln, only one of its kind in this part of the East, ~~could be used~~. The Westing House Company whom we had engaged, have given a scheme for the manufacture of high tension insulators and bushings. The whole project would cost nearly Rs. 10 crores, ~~and~~ the scheme for high tension insulators would cost a crore and twenty lakhs. The amount needed would be spread over a series of years. For the first five years it was enough if Rs. 7 crores were found. The financing of this important project was, ~~no doubt~~, an important matter, ~~but it seems there were problems which had to be considered~~. There were some others also who were offering their services in this field. It is, however, fairly well understood that these schemes cannot be postponed with advantage any longer. Mysore had peculiar advantages for this

development which was quite a natural one and the project has been conceived so that it should not come in conflict with any other proposal which the Government of India had in view. The existence of REMCO is an important factor in locating these industries in Bangalore. The fourth scheme that I dealt with was the development of hydro-electricity in the State. I referred to the first stage of completion in Jog. The second stage has is going to be completed shortly. I suggested that in course of time it would be absolutely insufficient to meet the growing needs of the State unless we ~~think~~ thought of new projects. So, it would be necessary to take up the Honnemaradu Project, costing Rs. 18 crores and the Mekedatu project, costing another Rs. 5 crores. These were also necessary for the purpose of distributing power already available especially for the purpose of setting up irrigation pumps.

"The last ~~point which~~ I dealt with ~~was~~ were the major irrigation ~~projects~~ works, -- the Thunga, ~~Kxxxx~~ Nugu and Lakkavalli ~~projects~~ projects. As regards the Lakkavalli project, I told them of our decision not to ~~complete~~ take up the entire scheme which would cost about Rs. 20 crores. The dam to be constructed would be about 189 feet, but for the present we would stop at 35 feet. The project would cost Rs. 110 lakhs extra in addition to what we have spent already, namely Rs. 39 lakhs. For the Thunga project, we have spent Rs. ~~30 lakhs and 70 thousand~~ 30.70 lakhs. The amount still needed ~~is~~ would be Rs. 60 lakhs. The Nugu project which costs Rs x crores, for the present requires a sum of Rs. 51 lakhs in addition to Rs. 15.8 lakhs already spent."

~~The Hon. Minister~~ I next referred to the rising price of the tannery wool and said that its movement must be controlled. At present the tannery wool is adulterated with cut wool for the purpose of export. The price has risen from Rs. 200 for 500 lbs. to Rs. 700.

~~Proceeding, the Hon. Ministered observed:~~ "On Sunday 9th evening, the Hon. the Prime Minister was pleased to have an informal meeting of the Congress members of the Parliament, ~~where matters relating~~ to ~~the~~ concern on international situation ~~were dealt with and also~~ arising from the Korean question. ~~Of course~~, One of the things that was in the air was who should be the next President of the Congress. It was not exactly known as to who it would be. But every body was very much concerned about it. But the general feeling was ~~that~~ they should have ~~one~~ who would have a good ~~understanding~~ with the Working Committee and

There was a large concensus of opinion in favour of the stand taken by the Prime Minister.

the Government and, ~~at the same~~ time, one who ~~would~~ keep true to the Gandhian ideology.

"I visited the Ramakrishna Ashram where I met ~~my old friends~~. Swami Ranganathanand who was in Mysore some years back and then taught ~~I spent some good time there and received Prasadam~~. the night Mane

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Thu 11/7/57 SS 11/7

7am - In company with Sri R.R. Diwakar, Minister of State in Union Rajghat and planted a tree each at the place.

Bangalore,
11th July 1950.

The Hon'ble Sri H.C. Dasappa, Minister for Finance and Industries, met Pressmen in his Chambers yesterday evening at an informal Conference and briefly narrated an account of his recent visit to Delhi on the 6th. He made the following observations:-

"The main purpose of my visit to Delhi was to follow up certain matters that were pending with the Government of India. I was also desirous of meeting the new Ministers at the Centre. Hon. Ministers, the Hon. Sir Chintamani Desamukh, the Minister for Finance and the Hon. Sri Hare Krishna Mehatab, Minister for Industries and Supplies, were most intimately connected with my subjects. I was also anxious to meet the Hon. Sri Prakash, Minister for Commerce. I would have liked to see the Hon. Sri Munshi also there. But I knew that he would not be at Delhi then.

When I landed in Delhi, they told me that the Hon. the Prime Minister had fixed 4 o'clock for my interview the same day. It was very good of him to have given me this early opportunity of seeing him. I was very happy to find that he was looking fresher than ever before. I thought that the Indonesian tour - the sea voyage in particular had done him good. He made kind enquiries of Mysore. The first subject we discussed was the Food Technological Institute in Mysore, in which he is so deeply interested. Certain developments were contemplated in the Food Technological Institute and the Hon. the Prime Minister had written a nice letter to the Chief Minister just before Dr. S.S. Bhatnagar came over to Mysore recently. The Home Minister had gone round the grounds with Dr. Bhatnagar and it was understood that out of about 150 acres of ground in the Cheluvamba Mansion, about 100 acres could well be reserved for this developmental programme of the Institute. I showed the Prime Minister the plan and he was pleased to remark that it was good to have spared so much space.

The other matter to which he referred to was the cultivation of tapioca. He said that 25 per cent of tapioca mixed with rice would not only give the same nutritive value as the same equivalent quantity of rice would give, but the mixture would not suffer in the least in taste. He was anxious Mysore

should go ahead with that experiment. I said that we were already developing the cultivation of tapioca in the State and we would give the experiment a chance. I believe the inaugural ceremony of the Food Technological Institute is fixed sometime in October next (it may be 20th), and it is just possible that the Hon. the Prime Minister may be paying a visit to Mysore on that occasion.

The same evening at 5.30, I had an interview with the Hon. the President of the Republic at Government House. He made kind enquiries about the constructive activities of the State and discussed the food position also. When I asked about his visit to the South sometime, he said that it might be possible for him to pay a visit during the coming winter.

On the 7th morning, I called on Dr. Pattabhi Seetharamiah, the President of the Congress. At 12 noon I had my interview with the Hon. the Finance Minister. We had a talk on various matters including finance and the financing of developmental schemes. In the afternoon, I had a meeting with the Hon. Minister for Industries and Supplies, Sri Hare Krishna Mehtab. Later in the afternoon, I had a long Conference with Sri V.P. Menon, Secretary of the States Ministry at which Sri Bapat and Sri Gopalaswamy of the Home Ministry, Sri Buch, Joint Secretary of the States Ministry and the Deputy Secretaries of Finance were also present. The discussion centred round certain administrative questions, particularly, the Indian Administrative Services and questions arising from financial integration. That night, I dined with the Hon. Sri Hare Krishna Mehtab.

Next Morning on the 8th of July, I met the Secretary of the Home Ministry and later Sri Shivashanker, the Director-General of Disposals and the Director-General of Industries and Supplies. Later, I had a Conference with Sri K.R.P. Iyengar, Member, Central Board of Revenue and Excise, when I had a discussion on excise duties, particularly that relating to tobacco. The formula regarding the distribution of tobacco excise which was levied during the War was that it should be distributed on per capita basis. If we realised money by way of excise in the State up to the per capita basis, we were entitled to retain it. If we realised more than that limit, we had to refund the excess to the Centre. But, if we realised less than the per capita quota, we could get

only what we realised and no more. I considered that this formula which was got up during the War was not quite fair to the State. It was suggested by them that it is very difficult to change the formula at this rather late stage, because that would re-open the cases already settled in the case of a number of other States. Even on the basis of the existing formula, handicapped as we were, I said that the excise duty on tobacco realised in the Civil Station must be deemed to be realised within the State, because the tract was only an assigned tract, always forming part and parcel of the State and even the surplus revenue of the Civil Station was being made over to the Mysore Government which was a sufficient proof that the Civil Station formed a part of the State. The matter was, however, not finalised as it needed further scrutiny I expect the Mysore Officers to take up the matter in due course. There was no dispute so far as the revenue for 1948-49 was concerned. But with regard to the revenue for 1946-47, one of the two years taken for calculation of net gap, the implication is much and we would be earning for these five years the advantage of the increase.

In the afternoon, I met the Planning Commission at a Conference between 3.30 and 5.30, when the Vice-Chairman and the other Members, namely, Sir Chintamani Desamukh, Sri G.L. Mehta, Sri V.T. Krishnamachari, and Mr. R.K. Patil were present. I gave a brief narrative of the position in Mysore and how a succession of able administrators had built up the industries in the State. I described to them the romance of electricity in Mysore and how we are able to conserve our resources for carrying on developmental schemes by paying low salaries to our services. Mysore throughout had planning in the matter of development of industries, making use of the raw materials available in the State and a band of technical personnel, for carrying out those schemes. The fact that we had planning before us is illustrated by the scheme we had in harnessing the Jog water power and utilisation of that power for the development of the iron and steel industry and the development of new industries like fertilisers, etc.

I divided the subject of development schemes into four or five heads. The first was the metallurgical industry comprising of electric pig iron project and the allied schemes of ferro-silicon as also Bessemer electric converters and billet and structural mill. It was not possible for us to

continue any longer with the un-economic charcoal pig iron blast furnace and any increase in charcoal pig iron would result also in the denundation of the forest wealth of the area. It was therefore absolutely necessary that we should have recourse to the electric pig iron furnaces. The electric pig iron furnaces, each of 100 ton capacity, would mean an increase in output from the present 25 thousand tons to 100 thousand tons per year. I also referred to the development of the cement plant with a capacity from 60 to about 300 per day. This means an increase in output from 25,000 tons to 100,000 tons annually. They also asked me what we proposed to do with the old ferro-alloy plant after the installation of the new ferro-silicon plant. I said that we had already a scheme ready and that was to manufacture Calcium Carbide and other ferro alloys like ferro-manganese and ferro-chrome. It is important to note that the electric pig iron that we produce would be superior to the usual coke pig iron and experts have suggested that it would be very useful and profitable to the nation if this pig iron is converted into special alloy steels. I said that we had that scheme also and if the Government of India would consider the development on those lines, I should welcome it.

The next set of industries that I dealt with were the chemical industries I referred to the Acetic acid plant and to the fact that the product manufactured would be very useful in times of war. Among chemical industries, the most important was the fertilizer project. The Mysore Government had entered into an agreement with a well-known firm of New York, The Chemical Construction Company, which had given the Belagula Plant of Mysore, which was working, though small, very successfully. This firm in conjunction with the Power Gas Corporation of England was now supplying the sindri plant. The project was meant to manufacture 25,000 tons of Ammonium Sulphate and 25,000 tons of Nitro-chalk. I was glad to learn in expert quarters that Nitro-chalk was a very useful fertilizer which needed popularisation. I should like to point out the special advantages which our fertilizer project has, in brief. First and foremost what is needed for a chemical industry, is cheap power. We have not only cheap power, we have that ready at hand at Bhadravati only waiting to be tapped. There is the advantage of a railway siding on the spot. There is also plenty of water supply ready on the spot. The other

advantage is that for the purpose of conveying limestone from the mine-head, there is already a tram line. These are matters which would save so much in the capital outlay of the concern and so deserve notice. Then I spoke about the Sugar Factory in Shimoga which again is going to be a paying proposition, because we would be utilising the spare plant in Mandya and also the technical knowledge of the Sugar Factory at Mandya. The third chemical industry was raw film. India is the second largest consumer of raw films in the world. We had peculiar advantages to develop this industry, because it was necessary to have a dust-free atmosphere and a climate suited for the purpose. The location of this industry is the area below the Krishnaraj Sagar Dam. A group of financeers of Rajasthan and Bombay were interested in the project.

The third, and by no means less important, were the electrical industries, namely, the manufacture of transformers and insulators and lamps. As regards insulators, we had the advantage of the electric kiln, only one of its kind in this part of the East. The Westinghouse Company whom we had engaged, have given a scheme for the manufacture of high tension insulators and bushing The whole project would cost nearly Rs.10 crores. The scheme for high tension insulators would cost a crore and twenty lakhs. The amount needed would be spread over a series of years. For the first five years it was enough if Rs.7 crores were found. The financing of this important project was an important matter. There were some others also who were offering their services in this field. It is, however, fairly well understood that these schemes cannot be postponed with advantage any longer. Mysore had peculiar advantages for this development which was quite a natural one and the project has been conceived so that it should not come in conflict with any other proposal which the Government of India had in view. The existence of Remco is an important factor in locating these industries in Bangalore.

The fourth scheme that I dealt with was the development of hydro-electricity in the State. I referred to the first stage of completion in Jog. The second stage was going to be completed shortly. I suggested that in course of time it would be absolutely insufficient to meet the growing needs of the State unless we thought of new projects. So, it would be necessary to take up

the Honnemaradu Project, costing Rs.18 crores and the Mekedatu project, costing another Rs.5 crores. These were also necessary for the purpose of distributing power already available especially for the purpose of setting up irrigation pumps.

The last I dealt with were the major irrigation works - the Thunga, the Nugu and the Lakkavalli projects. As regards the Lakkavalli project, I told them of our decision not to take up the entire scheme which would cost about Rs.20 crores. The Dam to be constructed would be about 180 feet, but for the present we would stop at 35 feet. The project would cost Rs.110 lakhs extra in addition to what we have spent already, namely, Rs.39 lakhs. For the Thunga project, we have spent Rs.30.70 lakhs. The amount still needed would be Rs.64 lakhs. The Nugu project which costs Rs.52 crores requires for the present a sum of Rs.51 lakhs in addition to Rs.15.8 lakhs already spent.

I next referred to the rising price of the tannery wool and said that its movement must be controlled. At present the tannery wool is adulterated with cut wool for the purpose of export. The price has risen from Rs.200 for 500 lbs. to Rs.700."

On Sunday, the 9th evening, the Hon. the Prime Minister was pleased to have an informal meeting of the Congress members of the Parliament to concert on international situation arising from the Korean question. There was a large consensus of opinion in favour of the stand taken by the Prime Minister.

One of the things that was in the air was who should be the next President of the Congress. It was not exactly known as to who it would be. But every body was very much concerned about it.

In company with Sri R.R. Diwaker, Minister of State, I visited Rajghat and we planted a tree each at the place.

I visited the Ramakrishna Ashram where I met Swami Ranganathananda who was in Mysore some years back and then caught the night plane.